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HOW TO SURVIVE THE PROCUREMENT PROCESS IN THE BUREAU OF LAND MANAGEMENT



U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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**FOR ALL BLM
EMPLOYEES**



*With all of the publicity about overcharges on hammers, toilet seats, and weapons systems, do you wonder how the government **does** spend your tax money?*

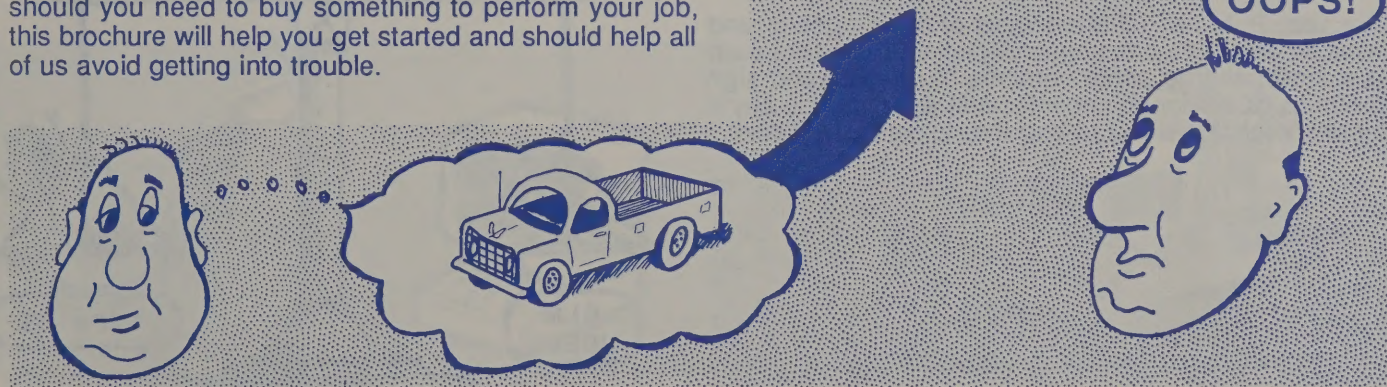
When a product doesn't work, have you heard the expression: "Well, what can you expect from the low bidder?"

Have you heard of a Senator's "golden fleece" awards, which are given to criticize defective, costly, or questionable products bought by the government?

Like most people, this is all you've heard about government procurement. Regrettably it's the negative side.

Yet, all BLM employees will be involved with procurement in some way during their careers. Procurement may involve simple matters of buying books or training courses, or it may involve more complex matters like building fences, drilling wells, or buying major studies or computer systems.

This brochure will help you understand how BLM buys what you need and what **your** role is in that process. After you read this brochure, we hope you will be aware of what we are doing to spend your tax money wisely. Also, should you need to buy something to perform your job, this brochure will help you get started and should help all of us avoid getting into trouble.

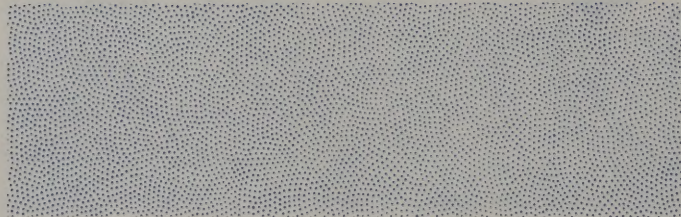


1. What is PROCUREMENT?

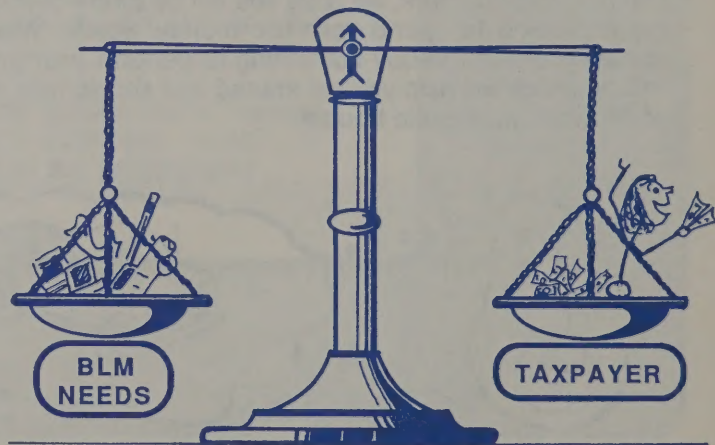
Procurement or acquisition is the government's buying of products or services from another government agency, a contractor, a nonprofit organization, or a State. You will also hear the words "contract" or "purchase" to describe procurements. These and other common procurement terms are defined in the back of this brochure.

BLM buys many products and services, from office supplies, fences, and wildlife and minerals studies, to automated data systems. You are probably in a procurement situation when you ask yourself, "Will BLM have to pay money to someone else for what I need?"

Like you, BLM has different ways of buying goods and services. As BLM's procurement specialists, we take cash to a store, charge, write versions of checks, and sign contracts or similar documents. Just as when you buy a car or appliance, we comparison shop to get the best deal.

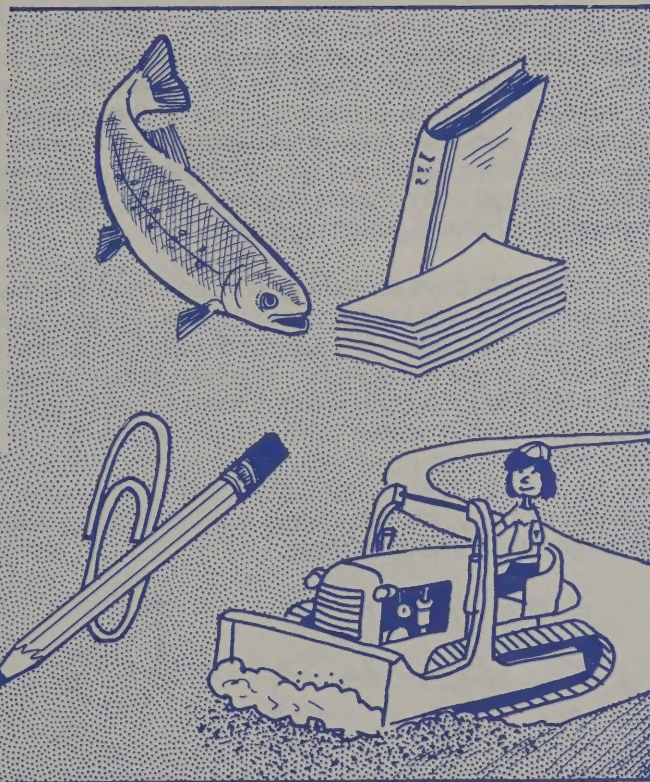


Unlike you, however, BLM has special powers and responsibilities in spending money. You as a taxpayer have entrusted the Federal Government with your money, and this money can be spent only for goods and services that are legally permitted and needed by BLM to perform its public service. Trying to balance getting the job done with watching your tax money can be frustrating--both to you and to our procurement people, who hate to say no but sometimes must. Therefore, when you need to buy something, ask yourself, "Is this the best use of the taxpayer's money?"



2. What Can BLM Buy?

BLM can buy almost anything (except employees, personal convenience items, or items that waste funds) as long as the purchase helps accomplish BLM's public responsibilities. But **how** to purchase items is equally important. BLM's Handbooks H-1510-1 through 1510-7 prescribe procedures for buying. This authority is delegated mainly through the Federal Property and Administrative Services Act of 1949 and the Federal Land Policy and Management Act of 1976. In addition, technical, program, and administrative approvals are required for certain items. Consult the 1510 Manual Section and your local procurement office to help you determine procedures that apply to what you want to buy.



3. Who Can Buy?

You don't want to have to learn some 4,000 laws and regulations to be able to buy for the government, do you? Because of the billions spent by the government and because of the great economic effect of those billions, regulations and laws have multiplied over the years to ensure that those dollars are spread fairly and equally--that all taxpayers get a fair chance at this business. This is why so much emphasis is put on competition.

Every time BLM buys something, we don't need to apply or consider all of those laws and regulations, but we have to know which ones apply to each purchase. This is why the **only** BLM people who can buy or make commitments to buy for BLM are the contracting officers (COs) or persons delegated special written procurement authority. These procurement people have had training and experience that help them wade through regulations that control what and how you can buy, and they have warrants that give them the authority to make purchases.



Although there are exceptions, you can use the following list as a general guide to determine what authority your local CO has, or what must be bought elsewhere:

District Office COs

- Can spend varying amounts up to the maximum delegated to a particular district (as high as \$10,000 for each action)
- Also buys for resource areas.

State Office COs

- Can spend varying amounts, depending on delegated authority of office.

Denver Service Center and Washington Office COs

- Can spend varying amounts up to an unlimited authority.

4. What is Your Role in the Procurement Process?

If you need to buy something, you need to define clearly what you need, how much you need, when you need it, where it should be delivered or performed, and which firms (if known) have the capabilities to perform or provide the work or product. You also need to obtain any required approvals, estimate how much the work or product will cost, and assure that funds exist to pay for the work or product. Start the process by putting these facts on a requisition (BLM Form 1510-18 or 1510-5) and submitting it to your local procurement office. You may be asked to assist the CO in determining an acceptable source. When the work or product is performed or received, you may also be asked to inspect it with the receiving officer or purchasing agent to see that it meets your needs.

If you need something more complex, such as the construction of a fence or performance of an environmental study, your role as a member of the procurement team will be greater. It will require more work on your part to develop specifications, to evaluate offers as a member of the technical proposal evaluation committee (TPEC), or to monitor a contractor's performance as a COR (contracting officer's representative). To help you perform this role, BLM teaches a course for TPEC members and CORs.

Put simply, procurement is a structured process. The CO leads the team, but you provide essential support. You provide the technical know-how (what you need), and procurement specialists provide the business knowledge (how to get it). Procurement specialists determine when required sources must be used, what method will be used to make a purchase, what degree of competition is required, what type of legal document is needed, and how reasonable the cost is. For more complex and high dollar procurements, the Solicitor and auditors also participate on the team.

HAVE FUNDS?

HOW MANY?

COST?

WHAT?

WHEN?

FROM WHOM?

5. Can You Expect to Receive What You Need When You Need It?

Yes, if you remember to plan your needs and contact the procurement office as soon as you know what you need.

On pages 14 and 15 is a list of the average lead times from receipt of your procurement-ready package to the award of a procurement. These long lead times are the reason you need to plan. The procurement office will do its utmost to see that you get what you need when you need it. But much depends on your understanding of the process, what you want to buy, how well you describe it, what approvals are needed, and what procurement method is used. Only bona fide emergencies (poor planning is not one) permit us to shorten these lead times.

6. Can You Get What You Want From the Source That You Want?

You can get what you want but not necessarily from the source you want.

Certain items must be bought from mandatory or required sources (for example, other Federal agencies, prisons, nonprofit agencies for the blind and handicapped)

because they are usually the least costly, most efficient means of obtaining items. In addition, to stimulate the economy, laws and regulations encourage and permit restricting competition to small and disadvantaged businesses and to businesses in areas with labor surpluses. These two types of sources must be considered first. If they can provide what we need, we buy from them. If they can't, we consider other sources.

Generally, all responsible sources must be allowed to compete for contracts: There are few exceptions to this rule.

If you know or have a sound reason for believing that the source you want to use is the **only** source that can meet your needs, then we must test the marketplace. This test may include a public announcement of what you want done and what source you plan to use. Any responsible source that responds to this announcement by providing evidence that it can do the job must be given a chance to compete.

Remember that regardless of which source provides the product or service, the source must provide what was agreed to in the contract.

Do's and Don'ts of Procurement

Here are some Do's and Don'ts of the procurement process. They are based largely on common sense.

DO	DON'T	WHY
Have a warranted contracting officer make a financial commitment for BLM.	Don't make a commitment that requires BLM to pay for a product or service unless you're a contracting officer.	You may be personally liable to pay for the product or service and be subject to disciplinary action if you improperly commit the government. Besides, you will have to go through a painful process to determine if you have to pay; the contractor's payment will be delayed; and congressional inquiries may have to be answered.
As soon as you need to buy something, contact the procurement office to determine the following: -best way to approach it, -steps/actions needed, -whether your needs are recurring.	Don't delay the procurement process until you have all the facts or because you don't know how to write a description of what you need.	Procurement lead times can be long, and procedures differ. The sooner a contracting officer knows of a requirement, the more likely you'll get what you want when you need it. For recurring needs, lead times can be greatly shortened for later purchases.

Do's and Don'ts of Procurement

DO	DON'T	WHY
Ask your procurement office about different methods and alternatives to use in buying what you need.	Don't assume that the CO awards contracts only to the low bidder.	Depending on what you need and how important or definite your requirements are, the award can be made on other factors or from different sources.
Define your minimum need.	Don't buy a gold-plated pencil when a wooden one will do.	"Gold plating" is a waste of your tax money, and by buying more than your minimum need you may become personally acquainted with the Inspector General and the General Accounting Office.
Use generic terms rather than brand names to describe products.	Don't describe your needs so that only one source can get the award when others can do the job as well.	You must go through many hoops to use a single source. In many cases, competitors will find out about a single source because the requirement has to be publicly announced. Protests by competitors can result in delays due to a rewrite of the specifications.

Do's and Don'ts of Procurement

DO	DON'T	WHY
Describe how we will measure the quality of the contractor's work.	Don't describe only what you need without setting standards.	You may not get the quality you want if the contract does not require it.
Describe your needs for services and studies by what needs to be done rather than how it should be done.	Don't describe your needs so that only one method or approach can accomplish your task or objective.	You may unnecessarily restrict competition by describing a single method of getting the job done. Just describe what needs to be done, and allow the competitive marketplace to respond.
Validate the availability of funds for the requirement with your office/chief. The chief's signature on the requisition certifies that you have money in your budget to pay for the purchase.	Don't submit a request for a procurement without funding or in excess of appropriations without including the statement, "subject to availability of funds."	It is unlawful to obligate or expend funds that are in excess of appropriations (Anti-Deficiency Act).

Do's and Don'ts of Procurement

DO	DON'T	WHY
<p>Funnel all questions through the CO to determine what can be told to one contractor and what should be told to all before announcing a procurement or receiving bids and proposals.</p>	<p>Don't release "inside" information or information not available to all contractors either before or during a procurement. Don't discuss requirements or quotes with contractors.</p>	<p>Releasing this information can give a contractor an unfair competitive advantage, which may result in protests, cancellation of the requirement, and disciplinary actions.</p>
<p>Once proposals or bids are received, discuss evaluations of potential contractors only with those in BLM that have a need to know. After an award, discuss this information only during debriefing.</p>	<p>Don't discuss who proposed or bid on a procurement, proprietary information, how many contractors are being considered, or who is being selected or why.</p>	<p>Competitors are sharp. The release of this type of information can result in higher costs to BLM, can delay or stop the procurement, or can result in a suit against the government.</p>

Do's and Don'ts of Procurement

DO	DON'T	WHY
Follow up to make sure that the contractor performs or delivers on time. You must also approve, review, or inspect on time.	Don't fail to monitor a contractor's performance or fail to perform your contract responsibilities.	You may not get what you want, or you may not get it at the agreed-upon time.
Assure that you have no conflict of interest and would not personally benefit from a procurement.	Don't propose to issue a contract or buy something from persons or a company (1) with whom you are related or have invested or lent money, (2) by whom you were employed, or (3) with whom you had a relationship that would compromise or appear to compromise BLM's best interests.	Conflicts of interest may result in disciplinary action or civil penalties. See your ethics counselor for further information.

If you have questions about the procurement process, ask your local procurement office or call the appropriate procurement analyst at your state office, the Boise Interagency Fire Center, the Denver Service Center, or the Washington Office.

PROCUREMENT LEAD TIMES

Type of Solicitation/ Procurement	General Procedures	Dollar Thresholds	Target and Average Procurement Lead Time
1. Required and Mandatory Source Purchase Orders and Fedstrips	-Established government sources that must be used to buy certain items. -See the 1510-1 handbook.	\$1-unlimited	2-15 days (unless an approval/waiver is required)
2. Imprest Fund	-See the imprest fund cashier; you might receive an advance to make your purchase yourself. -Make sure you can buy the item under imprest fund procedures. Such items might include off- the-shelf office supplies (non-GSA) and conference registrations (nontraining) and subscriptions. -Procedures are similar to a petty cash fund.	Up to: \$500 routine \$2,000 fire emergency	1 hr.-2 days
3. Blanket Purchase Agreement	Similar to a charge account for a variety of items (such as hardware) with a particular store or firm.	\$1-\$25,000	1 hr.-2 days
4. Purchase Orders- Open Market	-CO buys from contractors after quotes are solicited.	\$1-\$1,000 \$1,001-\$10,000 \$10,001-\$25,000	2-10 days 15-30 days 47-117 days (depends on approvals required)

continued

Type of Solicitation/ Procurement	General Procedures	Dollar Thresholds	Target and Average Procurement Lead Time
5. Sealed Bids	-Your needs are fully defined in a detailed specification or description (such as for building maintenance, fence construction, or tractors). -Award is based mainly on the low bid price.	Usually Over \$25,000	Target 120 days
6. Negotiated-Competitive	-We consider proposals from all responsible contractors who offer an approach or equipment to satisfy your needs that cannot be fully defined. -Award may be based on a combination of technical and cost factors.	Usually Over \$25,000	Target 120 days
7. Negotiated-Noncompetitive	-We consider a proposal from one source that has been determined to be the only source after a public announcement (not just the best source) to meet your need.	Usually Over \$25,000	85-224 days
8. Automated Data Processing Equipment and Services	-See 306 Department Manual (DM) -The preprocurement approvals may require 6 months or more for the higher dollar purchases.	See 306 DM	Varies greatly Target 135 days

Common Procurement Terms

Here are some simplified procurement definitions that will help you understand procurement jargon.

1. Purchase requisition	Your shopping list of what you need and when.	7. Solicitation	BLM's public statement of what it needs to buy and its request for bids or offers from potential contractors.
2. Statement of Work or Specification	Your description of performance requirements for what you want to buy.	8. Synopsis	A published notice to potential contractors that BLM will soon be issuing a solicitation.
3. Mandatory or Required Source	A government-established source of supply that must be given first priority in satisfying requirements.	9. Responsible Source	A contractor, government agency, or organization that BLM or the Small Business Administration has decided is capable of providing what you need.
4. Small Purchase	Simplified procedures used to buy items under \$25,000 from commercial sources.	10. Competitive Procurement	Procurement in which all responsible sources are permitted to compete for what you want to buy.
5. Purchase Order	The document issued by the procurement office that orders what you need from the supplier.	11. Noncompetitive Procurement	Procurement in which only selected firms or one firm is permitted to offer what you need.
6. Contract	An agreement in which a contractor agrees to provide a product or service and BLM agrees to pay for it.		

**GOOD LUCK!
MAY ALL YOUR
PROCUREMENT NEEDS
BE MET!**

**Additional copies of this brochure may be obtained from your local procurement office
or from the BLM Printed Materials and Distribution Section, D-558B, Denver, Colorado.**

